

**ALABAMA DEPARTMENT OF INSURANCE
INSURANCE REGULATION**

**CHAPTER 482-1-123
RATES AND FORMS FILING REQUIREMENTS
FOR PROPERTY AND CASUALTY INSURANCE**

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482-1-123-.01 Authority and Short Title. This regulation is adopted pursuant to Sections 27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8, Code of Alabama 1975. This regulation shall be known and may be cited as the Rates and Forms Filing Requirements Regulation.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; Revised September 12, 2001, Effective September 22, 2001.

482-1-123-.02 Purpose. The purpose of this regulation is to set forth the requirements to be followed by insurers and rating organizations in the filing of rates and policy forms for property and casualty insurance, with the desired result of improving the speed to market of policy forms and rates filings.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; Revised September 12, 2001, Effective September 22, 2001.

482-1-123-.03 Definitions.

The following definitions shall apply for purposes of this regulation:

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(1) Commercial Lines. Commercial lines are all lines except personal lines.

(2) Forms. Those forms required to be filed for approval pursuant to Section 27-14-8, Code of Alabama 1975.

(3) File and Use System. A system whereby rates, rating manuals, supporting actuarial information and policy forms must be filed with the regulator on or before the date of use by the insurer. The regulator is generally expected to review individual filings for compliance, but it is contemplated that the regulator will use discretion in determining the nature and extent of this review based on competitive market conditions. Under this system, if a regulator requests that the insurer modify the filing, there is a presumption that the regulator will impose corrective action on a prospective basis. However, this presumption can be overcome when the regulator determines that corrective action needs to occur retrospectively after considering all of the following:

a. The nature and extent of the harm to consumers.

b. Whether there is a willful violation of law by the insurer.

c. The burden and cost of the retrospective corrective action on the insurer, especially in cases where the costs will be passed on to the consumer.

(4) Personal Lines. Personal lines are lines for personal, family or household purposes.

(5) Prior Approval System. A system whereby rates, rating manual, supporting information and policy forms must be submitted to the state insurance regulator and formally approved prior to their use, with certain statutory exceptions.

(6) Property and Casualty Insurance. As defined in Chapter 5, Title 27, Code of Alabama 1975.

(7) Rates. As defined in Chapter 13, Title 27, Code of Alabama 1975.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; Revised September 12, 2001, Effective September 22, 2001.

482-1-123-.04. Establishment of Systems for Filing of Rates and Forms.

(a) Property and Casualty insurance, commercial lines.

(1) Generally. All rates and forms filings for the commercial lines of property and casualty insurance (other than workers compensation, medical malpractice, and any other

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type coverage involving a rate increase of 10% or more) shall be according to the File and Use System.

(2) All rates and forms filings for workers compensation coverage and medical malpractice shall be according to the Prior Approval System.

(3) All rate filings seeking an overall rate increase of 10% or more shall be according to the Prior Approval System.

(b) Property and Casualty insurance, personal lines. All rates and forms filings for the personal lines of property and casualty insurance shall be according to the Prior Approval System.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; Revised September 12, 2001, Effective September 22, 2001.

482-1-123-.05 Separability. If any provision of this regulation or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the regulation and the application of its provisions to other persons or circumstances shall not be affected thereby.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; Revised September 12, 2001, Effective September 22, 2001.

482-1-123-.06. Repealer. All rules and regulations heretofore issued which are inconsistent with this regulation and the Bulletin dated March 30, 2001, are hereby superceded and repealed.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

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482-1-123-.07 Effective Date. This regulation shall be effective upon its approval by the Commissioner of Insurance, and upon its having been on file as a public document in the office of the Secretary of State for ten days.

Author: Elizabeth Bookwalter, Associate Counsel

Statutory Authority: Code of Alabama 1975, §§27-2-17, 27-13-4, 27-13-30, 27-13-68, and 27-14-8

History: New June 20, 2001, Effective July 1, 2001; ; Revised September 12, 2001, Effective September 22, 2001.